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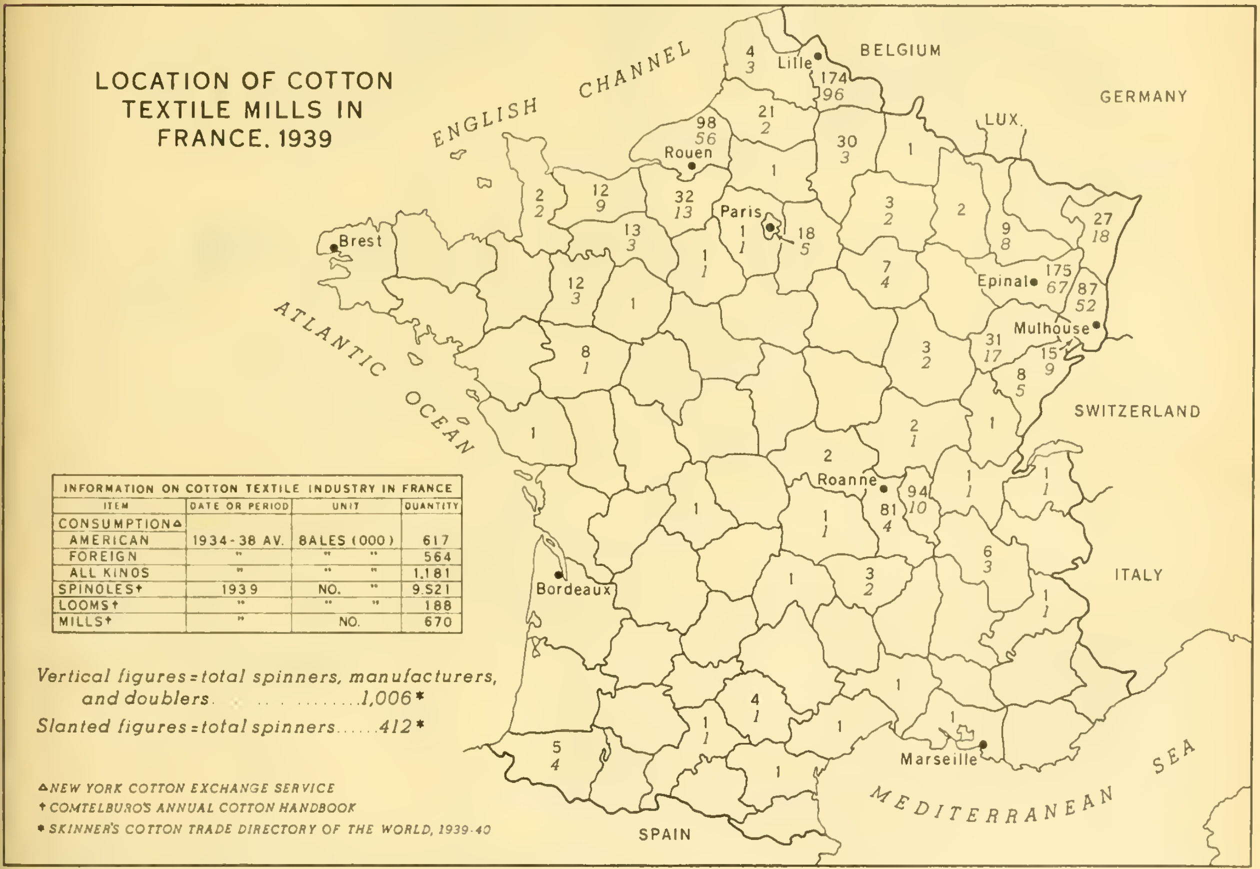
THE Cotton SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

CS-94 BAE SEPTEMBER 1944



LOCATION OF COTTON TEXTILE MILLS IN FRANCE, 1939

INFORMATION ON COTTON TEXTILE INDUSTRY IN FRANCE			
ITEM	DATE OR PERIOD	UNIT	QUANTITY
CONSUMPTION△			
AMERICAN	1934-38 AV.	BALES (000)	617
FOREIGN	"	" "	564
ALL KINDS	"	" "	1,181
SPINDLES†	1939	NO. "	9,521
LOOMS†	"	" "	188
MILLS†	"	NO.	670

*Vertical figures = total spinners, manufacturers, and doublers 1,006**
*Slanted figures = total spinners 412**

△NEW YORK COTTON EXCHANGE SERVICE
†COMTELBURO'S ANNUAL COTTON HANDBOOK
**SKINNER'S COTTON TRADE DIRECTORY OF THE WORLD, 1939-40*

U S DEPARTMENT OF AGRICULTURE NEG 43875 BUREAU OF AGRICULTURAL ECONOMICS

Before World War II, France was the seventh largest cotton consuming country and the third largest cotton importing country in the world. Of the annual average of 1,181,000 bales of cotton consumed during the 5 years 1934-38, American cotton comprised 617,000 bales. Shortage of cotton during the war as a result of the blockade on shipping caused the cotton mills in France and other Axis areas either to close or to shift to the consumption of rayon staple fiber. Cotton interests hope that as these mills are liberated, they will be able to resume the production of cotton textiles. The above map is intended as an aid in checking the areas and extent of concentration of the cotton textile industry against progress of the Allied armies in liberating enemy-occupied territory.

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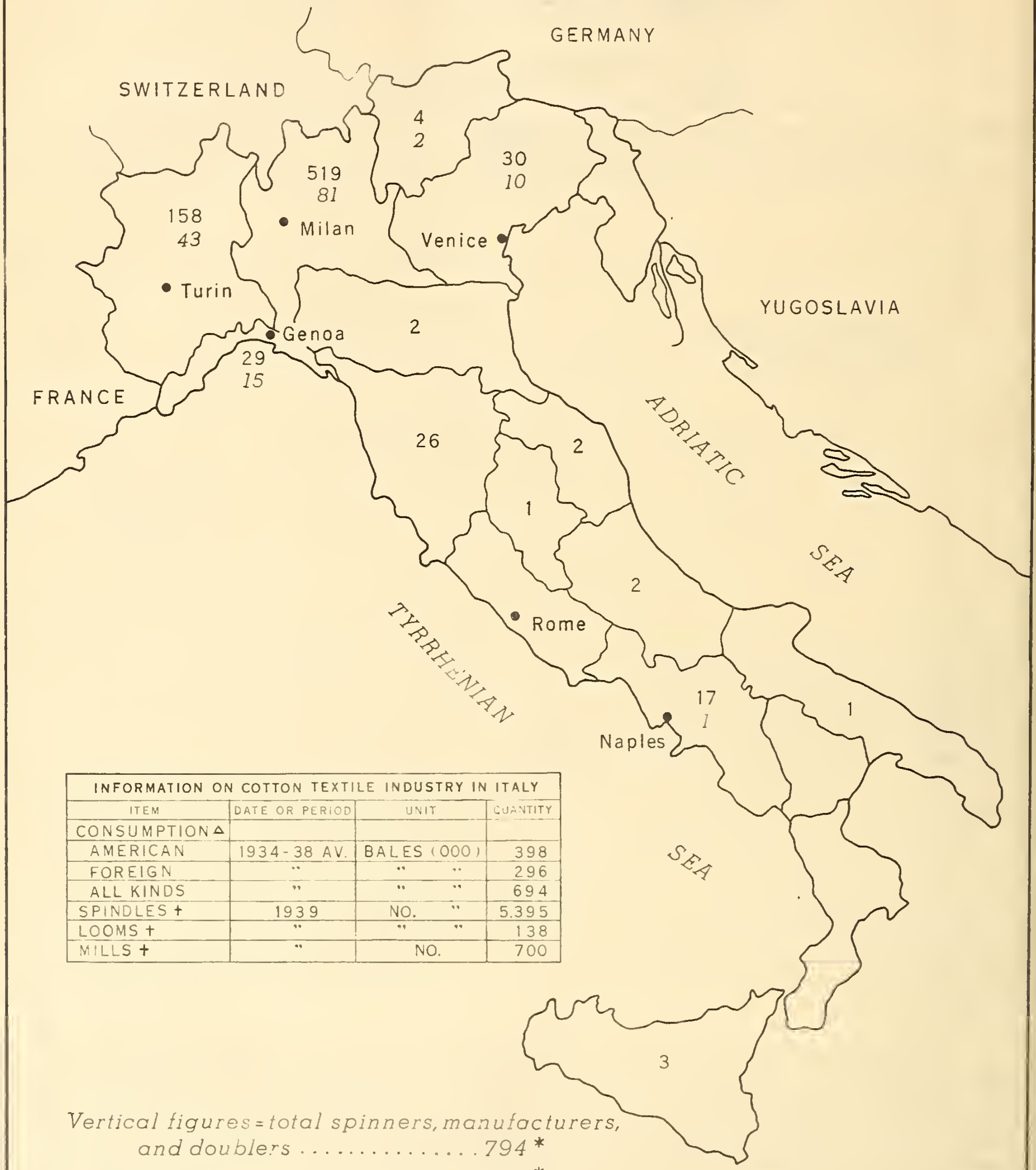
LOCATION OF COTTON TEXTILE MILLS IN ITALY, 1939



INFORMATION ON COTTON TEXTILE INDUSTRY IN ITALY

ITEM	DATE OR PERIOD	UNIT	QUANTITY
CONSUMPTION △			
AMERICAN	1934-38 AV.	BALES (000)	398
FOREIGN	"	" "	296
ALL KINDS	"	" "	694
SPINDLES †	1939	NO. "	5.395
LOOMS †	"	" "	138
MILLS †	"	NO.	700

*Vertical figures = total spinners, manufacturers, and doublers ....794 **

*Slanted figures = total spinners.....152 **

△ *NEW YORK COTTON EXCHANGE SERVICE*

† *COMTELBURO'S ANNUAL COTTON HANDBOOK*

* *SKINNERS COTTON TRADE DIRECTORY OF THE WORLD, 1939-40*

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THE COTTON SITUATION

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-- September 28, 1944

THE DOMESTIC COTTON SITUATION

Prices in United States and Brazil React Differently to War Developments

Prospects of an early peace in Europe have had differing effects on cotton prices in the United States and in certain foreign countries. In Brazil, for example, where the end of the European war would seem to hasten the day when the accumulated stocks of Brazilian cotton can move freely into international trade, prices of Type 5 cotton at Sao Paulo, advanced 132 points between August 18 and September 22. In the United States, on the other hand, where an early peace is expected to lead to widespread cancellation of military contracts for textiles, while providing no offsetting assurance that American cotton will be exported in larger volume, Middling 15/16-inch cotton at New Orleans declined 71 points. Despite these opposite trends, Brazilian cotton at Sao Paulo was 6.38 cents below essentially comparable American cotton in domestic markets, the September 22 prices in these markets averaging 14.57 cents and 20.95 cents per pound, respectively.

Provisions of Surplus Disposal Bill Important for Cotton

The above disparity between the prices in Brazil and in the United States will be prevented from holding American cotton out of the world markets, assuming the Surplus Disposal Bill which has already passed both Houses of Congress becomes law. Section 21 of this Bill provides that:

"(a) Subject to the supervision of the Board, the War Food Administrato or his successor, shall be solely responsible for the formulation of policies with respect to the disposal of surplus agricultural commodities and surplus foods processed from agricultural commodities, which shall be administered by the disposal agency or agencies designated by the Board. Such policies shall be so formulated as to prevent surplus agricultural commodities, or surplus food processed from agricultural commodities, from being dumped on the market in a disorderly manner and disrupting the market prices for agricultural commodities. . . . .

. . . .

"(b) The Board shall not exercise any of its powers under this Act with relation to disposal of surplus cotton or woolen goods except with the approval in writing of the War Food Administrator or his successor.

. . . .

"(c) Surplus farm commodities shall not be sold in the United States under this Act in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodities by the Commodity Credit Corporation, or at less than current prevailing market prices, whichever may be the higher, unless such commodities are being disposed of, pursuant to this Act, only for export; and the Commodity Credit Corporation may dispose of or cause to be disposed of for cash or its equivalent in goods or for adequately secured credit, for export only, and at competitive world prices, any farm commodity or product thereof without regard to restrictions with respect to the disposal of commodities imposed upon it by any law: Provided, That no food or food product shall be sold or otherwise disposed of under this subsection for export (1) if there is a shortage of such food or food product in the United States or if such sale or other disposition may result in such a shortage, or (2) if such food or food product is needed to supply the normal demands of consumers in the United States."

Another provision of the Surplus Disposal Bill of significance to cotton is Section 37 which provides:

"(a) Section 8 (a) (1) of the Stabilization Act of 1942, as amended (relating to loans upon certain agricultural commodities), is amended by striking out 'at the rate in the case of cotton of 92-1/2 per centum' and inserting in lieu thereof 'at the rate in the case of cotton of 95 per centum'.

"(b) The amendment made by this section shall be applicable only with respect to crops harvested after December 31, 1943, but shall not apply to crop planted after 1944. In the case of loans made under such section 8 upon any of the 1944 crop of cotton before the amendment made by this section takes effect, the Commodity Credit Corporation is authorized and directed to increase or provide for increasing the amount of such loans to the amount of the loans which would have been made if the loan rate specified in the amendment made by this section had been in effect at the time the loans were made."

War Food Administration to Purchase Cotton at Parity

Another recent development of importance to cotton and the cotton trade was the following announcement on September 24 made by the War Food Administration with the approval of the Director of Economic Stabilization:

"Pursuant to the act of Congress, the War Food Administration will, effective as soon as necessary arrangements can be made and until June 30, 1945, offer to purchase through the Commodity Credit Corporation, from farmer producers, at parity prices, all cotton of the 1944 crop for which a loan schedule has been announced and which may be placed in acceptable storage and tendered to it.

"The cotton sales policy which was announced on August 26, 1944, will be modified so as to permit the Commodity Credit Corporation to sell cotton at not less than parity."

Following this announcement cotton prices rose sharply. In Memphis where the August 15 parity equivalent was 22.13 cents for Middling 15/16-inch this quality averaged 21.71 cents during the first 4 business days following the announcement. This was 59 points over the market average for the preceeding week but 42 points under the parity equivalent.

Consumption in August at Annual Rate of 9-1/2 Million Bales

Consumption in August totaled 841,490 bales, or 36,587 bales per working day. This daily rate is above that in July, but is lower than for any other month since November 1940. Daily consumption in August was equivalent to an annual rate of 9,369,000 bales, or 573,000 less than actual consumption last season, and almost 1-3/4 million bales less than the record consumption in 1941-42. Even so, it is well above the pre-war high of nearly 8 million bales consumed in 1936.

Prospective 1944 Per Acre Yield 273.4 Pounds Highest on Record

The 1944 cotton crop is currently estimated at 11,483,000 bales, 500 pounds gross weight. This is 461,000 bales larger than indicated in August, and 56,000 bales larger than production in 1943. This production is associated with an acreage of only 20,164,000, the smallest harvested acreage since 1895, and with a yield of 273.4 pounds per acre. This would be the highest yield on record, and compares with the previous record of 272.4 pounds produced 2 years ago. Indicated yields were higher than in 1943 in all States except Louisiana, Texas, and California.

Compared with a month ago, increases are indicated for all major cotton States except North Carolina and Texas, where production is only slightly smaller than indicated in August, and in Oklahoma where the indicated decline is 80,000 bales. Compared with 1943, the greatest increases occurred in Oklahoma (276,000 bales), Arkansas (128,000 bales), and North Carolina (114,000 bales), and the greatest declines in Texas (373,000 bales), Louisiana (174,000 bales), and Georgia (92,000 bales).

1944 Crop Maturing Later Than in 1943; Grades Lower, Staple Length Longer

The 1944 cotton crop is maturing somewhat later than a year ago. Ginnings through September 15 totaled 1,816,291 running bales, compared with 3,735,881 bales to the same date last year. Missouri was the only State in which the quantity of cotton ginned was larger than a year earlier. With only 16 percent of the crop (as currently estimated) ginned, compared with 33 percent a year ago, it is still too early to get any clear indication as to how the quality of this year's crop will compare with that of 1943. Nevertheless, the cotton ginned to the middle of September this year is lower in grade but of longer staple than ginnings to that date last year. The grade index of 96.9 compares with 99.5 last year, and the average staple length of 32.6 thirty-seconds inch compares with 32.0 thirty-seconds for 1943, and 5.3 percent of the ginnings had a staple length of 31/32-inch and shorter, compared with 10.5 percent a year earlier.

Parity Equivalents Based on 1944 Loan Program

During early September, the War Food Administration issued, through the Agricultural Adjustment Administration and Extension Service, parity equivalents for Middling 7/8-inch and Middling 15/16-inch cotton for all counties which produce cotton. The gross-weight parity equivalents for any quality of cotton in any location, as released, are 0.73 cents above the 1944 net-weight loan rates released on August 4, 1944. Since the loan rates were based on the July 15 parity price of 21.08 cents per pound, the parity equivalents from month to month throughout the season will be above or below those which were recently distributed by the same amount that the parity price of cotton differs from 21.08 cents per pound.

The parity equivalents for cotton are designed to give farmers a yardstick by which to compare with parity the prices offered for their cotton. In view of the method used in computing these parity equivalents, however, the sale of each bale at such prices would result in the actual U. S. price of cotton received by farmers averaging somewhat above the actual parity price. This is in large part because Middling 7/8-inch cotton is below the average quality of recent crops.

Parity, as computed and published by the Bureau of Agricultural Economics, is an overall figure applicable to the commodity as a whole. It is an average price for all varieties, grades, staples, and all locations. Neither Section 201 (b) of the Stabilization Extension Act of 1944 nor the cotton loan legislation changes the method of determining parity for cotton or for any other agricultural commodity. These statutory provisions do, however, change the method of applying the regularly determined parity to the specific qualities of cotton for loan and price act purposes. The cotton loan legislation (Section 202 of the Agricultural Adjustment Act of 1938 as amended by Section 8 of the Stabilization Act of 1942) authorizes parity for cotton, as regularly computed by the Bureau of Agricultural Economics, to be treated as the parity equivalent of 7/8-inch Middling cotton, at the average location, for the purpose of fixing the base loan rate for cotton. By virtue of Section 201 (b) of the Stabilization Extension Act of 1944, this method is now to be used for all the purposes of Section 3 of the Stabilization Act of 1942 as amended.

For example, the parity price of cotton on which the 1944 loan program is based was the July 15 parity price of 21.08 cents a pound. As a consequence of the above method, the July parity equivalent for 7/8-inch Middling cotton at the average location is also 21.08 cents a pound, gross weight. The parity equivalent for Middling 15/16-inch, gross weight, at average location is obtained by adding 105 points, this being the 1944 loan difference between Middling 7/8-inch and Middling 15/16-inch. 1/ Parity equivalents for cotton of other qualities or at other locations are, therefore, determined this year by adding or subtracting the appropriate 1944 loan grade and staple premium or discount, and making the adjustment for location provided for in the 1944 Government loan program.

COTTON CONSUMPTION IN EUROPE

Allied armies in their push closer and closer to Berlin have liberated numerous areas where, before the war, cotton textile manufacturing was an important industry. For the most part, these mills have been without cotton for several years. Some have doubtless been entirely out of production. Others, however, have switched from cotton to rayon staple fiber. With so many mills already liberated and liberation awaiting others, it is timely to review the pre-war importance of the various European countries as consumers of cotton, and to consider some of the factors involved both in the resumption of cotton consumption in liberated areas, and in the market that the resumption of operation will provide for American cotton.

The maps on and inside the cover page of this issue of The Cotton Situation were prepared as an aid in checking the progress of Allied armies in France and Italy against the liberation of cotton textile mills. 2/ They are based on material contained in Skinner's Cotton Trade Directory of the World 1939-40. Admittedly, the maps would be more satisfactory if they showed the number of spindles and looms, or the number of mills as of the present time, but such data were not at hand. Although the textile industry in these two countries may be very different in 1944 from the way Skinner portrayed it in 1939, it is felt that the maps indicate, at least in a general way, the areas of concentration and the size of the cotton textile industry in France and Italy.

Pre-War Consumption Pattern: Consumption of American Cotton Declining; Foreign Cotton Rising

Europe has traditionally been a large consumer of cotton. During the 12 years for which data are available by countries (1927-38), consumption in Europe ranged from about 9 million to over 12 million bales per year. During

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1/ The spread used for loan purposes between Middling 7/8-inch and Middling 15/16-inch cotton and location differentials are subject to change from year to year as changed conditions warrant.

2/ Maps also are being prepared for certain other European countries.

most of the past decade, the mills of Russia, most of which are located in Europe, have consumed a larger quantity of cotton than those of any country in Europe, but it is virtually all domestically produced. Inasmuch as Russia enters very little into international trade in cotton, either as an importer or as an exporter, it will be excluded from the following discussion of cotton consumption in Europe and when the terms "Europe" or "Continent" are used it will be understood that they exclude Russia. The above-mentioned 12-year period has been sub-divided into two periods as a means of focusing attention on trends both in the total quantity of cotton consumed and in the amount of this cotton which was supplied by the United States. One of these periods is 1934-38, the last 5 years before the outbreak of war in Europe, although Germany had already violated the boundaries of Austria and Czechoslovakia, and the other is 1927-33.

Between 1927 and 1938 Europe, excluding Russia, consumed an average of 8.4 million bales of cotton per year. During the first 7 years, 1927-33, consumption averaged 8.5 million bales, and for 1934 to 1938, the average was 8.2 million bales. American cotton fared much worse than all cotton, for the consumption of American cotton dropped from an average of 5.5 million bales, or 65 percent of the total, to 3.6 million bales, or only 44 percent of the total. This is in sharp contrast with foreign cotton (mostly imported), the consumption of which rose from an average of 3.0 million bales for 1927-33 to 4.6 million bales for 1934-38. Thus, while total consumption averaged 3 percent lower in the latter period, American cotton was down 34 percent and foreign cotton was up 56 percent.

The consumption picture in Great Britain is essentially the same as for all of Europe, except that the average consumption of 2.7 million bales from 1934-38 was 4 percent higher than the 1927-33 average. In neither period was American cotton as important, relative to foreign, in Great Britain as on the Continent, mostly because of the larger amount of fine goods produced in Great Britain requiring the use of Egyptian cotton. A compariso of the two periods shows that the consumption of American cotton declined 26 percent (from 1.5 million bales to 1.1 million bales), or from 56 percent of the total of all cotton to 40 percent of the total. At the same time, the consumption of foreign cotton increased 43 percent, from an average of 1.2 million bales to an average of 1.6 million bales.

On the Continent, cotton consumption declined from an average of 5.8 million bales in 1927-33 to 5.5 million bales from 1934-38. However, American cotton dropped from 4.0 million bales to 2.5 million bales. In terms of the total cotton consumed, American cotton dropped from 69 percent to 46 percent. Here, too, the consumption of foreign cotton increased, risi from an average of 1.8 million bales in 1927-33 to 3.0 million in 1934-38.

Although the total annual consumption of cotton on the Continent was smaller in 1934-38 than in 1927-33, only 4 of the 15 countries (Italy, Germa Czechoslovakia, and Spain) for which data are shown in Table 12 had decreas. In Italy the average annual consumption dropped 25 percent or from an avera of 920,000 bales in 1927-33 to 694,000 bales in 1934-38. Germany also had a substantial decline (16 percent) as average annual consumption fell from the earlier period average of 1,372,000 bales. However, in these countries also, American cotton fared worse than cotton from other producing countries as a group. While average total consumption between the periods fell 25 percent in Italy and 16 percent in Germany, the consumption of American cott fell 43 and 71 percent, respectively, while foreign cotton increased 13 percen and 120 percent, respectively, Consequently, while American cotton comprised nearly 3/4 of all cotton consumed both in Italy and in Germany from 1927 through 1933, it accounted for only 57 percent and 29 percent, respectively, all cotton consumed from 1934 through 1938.

Much of the decline in the total consumption of cotton in Italy and Germany resulted from the Governmental policy to promote actively an expansion of synthetic fiber production. The production of rayon (total of filament yarn and staple fiber) rose from an average of 69 million pounds in Italy and 59 million pounds in Germany during the 7 years 1927-33 to 198 million pounds and 249 million pounds, respectively, from 1934-38.

Consumption of Cotton Down During War; Consumption of Rayon Up Sharply

The consumption of cotton during the war years has been small throughou Europe. In Great Britain, the decline from pre-war levels largely reflects pressure on the supply of labor, which, in view of narrowed outlets for cotton textiles, the tight shipping situation, and the higher priority given other kinds of production, prompted a shrinking of the cotton textile industry in Great Britain. The countries under Axis domination and the Axis countries themselves, however, have been unable to obtain cotton. In 1942, the production of rayon on the Continent is estimated at 1,955 million pounds, or 221 percent above the 1934-38 average. Exactly comparable data are not available for Germany, because in her production figure for 1942 is included the production for several of the occupied countries. However, the total for the group is about 300 percent larger than the sum of their respective averages for 1934-38. In Italy, the production in 1942 was 133 percent above the 1934-38 average. In 1942, the total production of rayon in Europe was equivalent to about 4.8 million bales of cotton. Of this amount 3.7 million bales was in Germany and Italy.

Early Resumption of Cotton Textile Production by Liberated Mills Desirable

From almost all standpoints, the early resumption of cotton textile production by mills in liberated areas is considered highly desirable. From a textile standpoint, there is expected to be real need for clothing in Europe during the coming winter, notwithstanding the fact that civilians in liberated areas are apparently better clothed than many people expected would be the case. The needs for textiles in the United States and other Allied conntries are so great as to insure that no more than a small proportion of the needs of liberated areas can be supplied from abroad. In addition to augmenting the depleted supplies of textiles in liberated areas, the resumption of cotton textile production will also provide profitable employment to many people. From a raw cotton standpoint, the resumption of cotton textile production in liberated areas is a means of raising the total consumption of cotton, and depleting the record world carry-over.

Obstacles to Resumption of Cotton Textile Production

Many liberated mills will have been entirely idle for several years, and most others will have been operating almost, if not entirely, on rayon staple fiber or other synthetics. It is to be hoped that there will be a general return to cotton textile production as fast as the various obstacles can be overcome.

One of the first obstacles will be the direct damage to plant facilitie both as a direct result of military activity and as a result of deliberate demolition by retiring Axis armies. Such damage to mills will be unevenly distributed and of varying severity. Although only a careful examination will reveal the exact condition, it is hoped that most mills will be entirely undamaged or suffering from no greater damage than can be repaired locally. At the opposite extreme are mills which will have been so severely damaged that repairing is entirely impractical or so time-consuming as to delay production for quite a few months. Their principal contribution might be to serve as a source of repairs for less badly damaged mills which, with a few major repair parts, could easily be restored to working condition.

Capital and/or credits in appropriate kinds and quantities are another obstacle which may be an important factor in the resumption of cotton textile production. Mills will need enough capital and/or credits to make the kinds of repairs already discussed as well as to cover initial operating expenses. Since these mills will have been without cotton, there may be a time lag of several weeks or even months after the first cotton is bought; before there will be any delivery of the finished textile products. During this time, provision will have to be made for payrolls and other costs.

Although an adequate supply of fuel and power is usually taken for granted in any industrial area, it may, nevertheless, prove to be a bottleneck in resuming cotton textile production in liberated areas. Because of their military significance, coal mines and electric power facilities may have been damaged by the retreating Axis armies. Where such damage has lowered the supply for an area below the prospective need, only thehigher priority uses can be supplied and this may or may not include cotton textile manufacturing. Of course, some of the deficit of fuel can be overcome by importations of coal from surplus areas, but this involves rail and/or water transportation which itself may be a bottleneck.

Labor is another obstacle which may confront many mills, particularly those which have been shut down for several years, and whose former workers accepted work elsewhere, many, no doubt, outside of the immediate vicinity. Time is required both to recruit workers and to train those without previous experience. Furthermore, there may be competition in some areas between textile mills and other employment for available workers. Since other kinds of employment may often be more directly allied with military operations against Germany than is work in textile mills, their claims for available workers might delay the opening of some mills.

Even if the obstacles mentioned above are removed, there is still the unanswered question of how prominently American cotton will figure in supplying the European mills with their raw fiber. To some extent, theobstacles confronting American cotton overlap those already discussed, but in several important respects they are quite different.

American cotton is at present at a distinct disadvantage, relative to other growths, in competing for foreign outlets. Cotton prices in the United States are currently about 50 percent above the prices of essentially comparable qualities of foreign cotton. Consequently, except for the tight shipping situation and the import quotas in force, foreign cottons would displace American cotton even in United States mills, while American cotton would be taken over at support prices by the Commodity Credit Corporation very much as is the case with wool. Inasmuch as prices in some foreign countries may be currently depressed by the shipping situation, some rise may be expected as shipping becomes more plentiful. It seems quite unlikely, however, that any such rise in foreign countries will besufficient to eliminate the disparity. Consequently, if American cotton is to constitute any of the post-war commercial export trade in cotton, it will be necessary that something be done to reduce United States export prices of cotton.

Even though American cotton is made available to importing countries at competitive world prices, there are still other obstacles confronting American cotton. At times it has been claimed by foreign customers that improvements are needed in the handling and merchandising of American cotton.

Another important consideration involved in the question of how large will be the future export market for American cotton has to do with our general foreign trade policy. If the United States is to look forward to a healthy post-war export trade in cotton, we must be willing to import the products of other nations as a means of providing sufficient dollar exchange with which to buy our cotton and other products. Failure to do so may force would-be customers of American cotton to switch to other growths or, as before the war, to expand their domestic synthetic fiber industries as a means of conserving needed foreign exchange (even if it were necessary to import the chemical pulp, the foreign exchange needed would be less than for cotton).

Dwelling as we are on the obstacles which must be overcome if American cotton is to move freely, from an early date onward, into international trade, it is not intended to imply a defeatist attitude -- that nothing can be done. Such an extreme position would be as unjustified as to hold that nothing need be done. Obviously, European textile mills will operate after the war, but decisions are already being made which will in part determine how soon they resume operation, and whether or not they continue to use rayon staple fiber, as they were forced to do during the war, or return to cotton, and, if cotton, whether it be American or foreign. Considerable quantities of foreign cotton have reportedly already been purchased by foreign importing countries to be delivered whenever shipping permits. Although coming too late to undo what has already been done, the foreign sales program provided for in the Surplus Disposal Bill materially lessens the incentive for foreign countries to purchase Brazilian and other foreign growths rather than American.

Table 1.- Cotton, American, foreign, and all kinds: Consumption in European Countries, selected periods 1/

Country or Area	1927-38			1927-33				1934-38						
					American			All kinds		American			Foreign	
	All kinds	American	Foreign	All kinds	Actual	% all kinds	Foreign	Actual	% of 1927-33	Actual	% all kinds	% of 1927-33	Actual	% of 1927-33
	1,000 bales 2/	1,000 bales 2/	1,000 bales 2/	1,000 bales 2/	1,000 bales 2/	Percent	1,000 bales 2/	1,000 bales 2/	Percent	1,000 bales 2/	Percent	Percent	1,000 bales 2/	Percent
Great Britain	2,676	1,314	1,362	2,629	1,472	56	1,157	2,741	104	1,092	40	74	1,649	143
Cont. exc. Russia	5,694	3,411	2,283	5,834	4,035	69	1,799	5,499	94	2,536	46	63	2,963	165
Austria and Hungary 3/	201	120	81	164	118	72	46	253	154	123	49	104	130	282
Belgium	355	162	193	355	178	50	177	355	100	141	40	79	214	121
Czech.	4/399	4/279	4/120	414	312	75	102	4/372	90	4/221	59	71	4/151	148
Denmark	30	28	2	26	25	96	1	36	138	34	94	136	2	200
Finland	47	43	4	37	36	97	1	61	165	53	87	147	8	800
France	1,170	702	468	1,162	763	66	399	1,181	102	617	52	81	564	141
Germany 5/	1,281	724	557	1,372	1,000	73	372	1,153	84	336	29	34	817	220
Holland	203	121	82	179	142	79	37	235	131	90	38	63	145	392
Italy	826	550	276	920	658	72	262	694	75	398	57	60	296	113
Nor. and Sweden	129	118	11	116	111	96	5	148	128	128	86	115	20	400
Poland	278	209	69	266	222	83	44	294	111	190	65	86	104	236
Portugal	84	45	39	81	52	64	29	88	109	35	40	67	53	183
Spain	344	214	130	422	290	69	132	234	55	106	45	37	128	97
Switzerland	121	41	80	118	50	42	68	126	107	31	25	62	95	140
Other Cont.	261	78	183	202	78	39	124	343	170	77	22	99	266	215
Europe exc. Russia	8,370	4,725	3,645	8,463	5,507	65	2,956	8,240	97	3,628	44	66	4,612	156
Russia	2,300	122	2,178	1,785	192	11	1,593	3,020	169	25	1	13	2,995	188
Cont. inc. Rus.	7,994	3,533	4,461	7,619	4,227	55	3,392	8,519	112	2,561	30	61	5,958	176
Europe inc. Rus.	10,670	4,847	5,823	10,248	5,699	56	4,549	11,260	110	3,653	32	64	7,607	167

1/ Year beginning August 1. 2/ American cotton in running bales; Foreign cotton in bales of 478 pounds net weight. 3/ In 1927, 1928, and 1929, covers Austria only; Hungary included in Other Cont. In 1938, Hungary only; Austria included in Germany. 4/ Average for 4 years; data for 1938 included in Germany. 5/ Includes Austria and Czechoslovakia in 1938.

Table 2.- Rayon, yarn, staple fiber, and total: Production in European countries, selected periods 1/

Country or Area	1927-33	1934-38				1942		
	Total 2/	Yarn	Staple fiber	Total		Yarn	Staple fiber	Total
				Actual	As % of: 1927-33			
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Percent	1,000 pounds	1,000 pounds	1,000 pounds
Great Britain	57,299	108,808	20,479	129,287	226	90,000	45,000	135,000
Continent excl. Russia	227,360	338,036	256,336	594,372	261	500,400	1,424,900	1,925,300
Belgium	12,089	13,716	442	14,158	117	17,600	17,600	35,200
Finland	---	---	---	---	---	1,100	2,200	3,300
France	43,207	61,270	7,620	68,890	159	69,500	128,000	197,500
Germany 3/	59,037	109,325	139,540	248,865	422	220,000	880,000	1,100,000
Austria	1,993	4/ 1,969	---	4/ 1,969	99	5/	5/	5/
Czechoslovakia	4,896	6,791	264	7,055	144	5/	5/	5/
Greece	79	333	---	333	422	1,000	---	1,000
Hungary	481	110	---	110	23	1,500	---	1,500
Italy	68,964	93,090	104,522	197,612	287	132,000	330,000	462,000
Netherlands	17,228	21,420	374	21,794	127	26,500	11,000	37,500
Norway	---	104	45	149	---	1,000	---	1,000
Poland	6,394	12,258	2,719	14,977	234	5/	5/	5/
Portugal	---	171	---	171	---	500	---	500
Rumania	---	777	---	777	---	4,400	7,700	12,100
Spain	2,878	4,894	---	4,894	170	8,800	19,800	28,600
Sweden	471	1,492	795	2,287	486	3,300	6,600	9,900
Switzerland	9,643	10,710	15	10,725	111	13,200	22,000	35,200
Europe excl. Russia	284,659	446,844	276,815	723,659	254	590,400	1,469,900	2,060,300
Russia	2,911	14,060	---	14,060	483	30,000	---	30,000
Continent incl. Russia	230,271	352,096	256,336	608,432	264	530,400	1,424,900	1,955,300
Europe incl. Russia	287,570	460,904	276,815	737,719	257	620,400	1,469,900	2,090,300

1/ Year beginning August 1. 2/ Yarn and staple fiber. 3/ Includes Austria in 1938 and Austria, Czechoslovakia and Poland in 1942. 4/ Average for 4 years. Data for 1938 included in Germany. 5/ Included in Germany.

Table 13.- STATISTICAL SUMMARY

Item	Unit or base period	1943 Aug.	1944 June	1944 July	1944 Aug.	Pct. of year ago 1/
Prices:						
Middling 15/16-inch, 10 markets	Cent	20.45	21.52	21.64	21.41	105
Farm, United States	Cent	19.81	20.16	20.32	20.15	102
Parity	Cent	20.34	21.08	21.08	21.08	104
Farm, percentage of parity	Percent	97	96	96	96	99
Premium of 1-1/8-inch over basis 2/:						
Memphis	Point	392	445	450	450	115
Carolina "B" mill area	Point	585	620	625	625	107
New England mill area	Point	610	645	650	650	107
SxP, New England mill points 3/	Cent	48.20	51.50	51.50	51.50	107
Cloth, 17 constructions	Cent	40.62	40.62	40.62	41.54	102
Mill margin (17 constructions)	Cent	20.34	19.28	19.15	20.35	100
Cottonseed, farm price	Dollar	50.90	52.80	53.00	53.20	105
Cottonseed, parity	Dollar	37.00	38.30	38.30	38.30	104
Cottonseed, farm, pct. of parity	Percent	138	138	138	139	101
Consumption:						
All kinds during month, total	1,000 bales	843.2	805.7	724.2	841.5	100
All kinds cumulative, total	1,000 bales	843	9,218	9,942	841	100
All kinds per day, total	Bale	38,327	36,624	36,208	36,587	95
All kinds, annual rate	Million bales	9.9	9.4	9.3	9.4	95
American-Egyptian cotton, total	Bale	3,407	3,531	2,949	3,622	106
American-Egyptian, cumulative	Bale	3,407	40,771	43,720	3,622	106
Foreign cotton, total	Bale	10,146	9,264	8,288	9,452	93
Foreign cotton, cumulative	Bale	10,146	105,294	113,582	9,452	93
Spindle activity:						
Spindles in place	Thousand	23,403	23,281	23,293	23,254	99
Active spindles	Thousand	22,633	22,373	22,290	22,241	98
Percentage active	Percent	96.7	96.1	95.7	95.6	99
Hours operated, total	Million	10,091	9,712	8,608	9,952	99
Hours per spindle in operation	Hour	446	434	386	447	100
Hours per day 4/	Hour	14.4	14.5	12.5	14.4	100
Stocks, end of month:						
Consuming establishments	1,000 bales	1,928	1,985	1,873	1,710	89
Public storage and compresses	1,000 bales	8,027	8,856	8,246	7,937	99
Total 5/	1,000 bales	9,955	10,841	10,119	9,647	97
Egyptian cotton, total 5/	Bale	34,292	63,282	61,778	58,081	169
American-Egyptian cotton, total 5/	Bale	36,980	55,183	52,898	43,119	117
Index numbers:						
Cotton consumption	1935-39 = 100	147	140	139	140	95
Spindle activity 6/	Percent	122.5	118.5	115.5	116.3	95
Prices paid, interest, and taxes	1910-14 = 100	164	170	170	170	104
Industrial production	1935-39 = 100	242	235	231	232	100
Wholesale prices	1910-14 = 100	151	152	152	152	101

Compiled from official sources. 1/ Applies to last month for which data are available. 2/ Premiums for Middling 1-1/8 inch based on near active month futures at New York. 3/ SxP, No. 2, 1-1/2 inch, New England mill points. 4/ Total hours per spindle in operation divided by number of days in calendar month. 5/ Includes only stocks in mills and public storage and at compresses. 6/ Based on 5-day 80-hour per week operation.